March 2, 2016

The Honorable Scott Walker
Governor of Wisconsin
115 East, State Capitol
Madison, WI 53702

Dear Governor Walker:

As you know, energy efficiency is the lowest-cost demand side energy resource – cheaper than electric or gas generation or renewables. Even with the U.S. Supreme Court’s recent stay of the Clean Power Plan, the electric power sector is evolving toward a cleaner, more efficient energy system. As the regulators and energy planners in your state continue their daily work to ensure reliable and affordable electricity to consumers, we encourage you to maximize your investment in energy efficiency. By reducing the need for central power generation, energy efficiency provides emissions reductions quickly, locally, and at a lower cost than other compliance options. It is also the only option that achieves sustained local job creation and concurrently reduces emissions while mitigating the cost impacts of Clean Power Plan implementation and giving Wisconsin residents and businesses control over their energy bills. Actions such as improving manufacturing energy efficiency, reducing commercial buildings’ energy use, and delivering residential energy efficiency upgrades are the quickest and cheapest means to meet energy demand while simultaneously improving air quality.

Today, every state has at least some experience delivering energy-efficiency programs administered by electric and natural gas utilities and the private sector. These programs have been very successful and can be expanded significantly. In addition to these familiar programs, there are opportunities in Wisconsin to achieve substantial emission reductions through the implementation of non-utility administered energy-efficiency policies and programs. Such programs include investments in combined heat and power, adoption of building energy codes that leverage above-code green building certification, residential retrofit financing programs and procurement of energy savings performance contracts (ESPCs) to upgrade large buildings and facilities. Non-utility efficiency programs, taken as a whole, generate as much investment in energy savings as utility programs and should not be underestimated. For example, the ESPC market in the U.S. generates more than $5 billion annually in new investments.

We commend the energy-efficiency investments Wisconsin has already made, such as to develop an energy efficiency resource standard (EERS) that includes long-term savings targets for both electricity and natural gas, as to well as to require energy-efficient public buildings and fleets. While Wisconsin may not be supportive of the Clean Power Plan, if your state ultimately decides to submit a plan to avoid the imposition of a Federal Plan, we urge you to consider maximizing the use of this least-cost mechanism by expanding your existing programs. To maximize cost-effective emissions reductions under the plan, we also recommend that you opt into the Clean Energy Incentive Program (CEIP).

The attached fact sheet shows how the implementation of a few common energy-efficiency policies, such as adoption of an energy-savings target, updated building energy codes, and increased use of
combined heat and power can meet 83 percent of Wisconsin’s 2030 compliance goal under the Clean Power Plan, all while saving customers money, creating jobs, and growing the Wisconsin economy. In fact, putting these policies in action could save the people of Wisconsin $2.5 billion and avoid 11.8 million tons of carbon dioxide emissions, not to mention preventing hundreds of thousands of tons of dangerous pollutants from reaching our air.

Energy efficiency is not a “new” resource; however, applying these tools to achieve carbon reduction goals under Section 111(d) of the Clean Air Act is an entirely new context. Several resources are available for your staff and responsible state agencies to guide your decisions about Clean Power Plan implementation options, regardless of whether you pursue a mass-based or a rate-based plan. For further information and to ask questions specifically about incorporation of energy efficiency in your plan, please contact the National Association of State Energy Officials at http://cpp.naseo.org/asq, as well as any of the signatories below.

We are ready to work with you and your state officials to ensure that efforts to reduce emissions via the Clean Power Plan or any other means are as cost effective as possible. **Energy efficiency is the cleanest, fastest, most cost-effective compliance strategy available, and has the most direct impact on controlling consumers’ utility bills.** Energy efficiency is also embraced by the private sector, for the operating costs it saves and its value for resilience and risk reduction. Additionally, energy efficiency creates lasting, local, non-exportable jobs and grows the economy while reducing consumer costs. We encourage you to use it robustly, and we stand ready to assist you.

Cc: Wisconsin Public Utilities Commission; Wisconsin State Energy Office; Wisconsin Department of Natural Resources, Bureau of Air Management

Sincerely,

**ABB Inc.**
Jim Creevy, Senior Director, Government Affairs
Jim.creevy@us.abb.com

**Alliance for Industrial Efficiency**
Jennifer Kefer, Executive Director
jennifer@dgardiner.com

**Alliance to Save Energy**
Kelly Speakes-Backman, Senior Vice President of Policy and Research
ksbackman@ase.org

**Ameresco**
Ashley Patterson, Director of Government Affairs and Public Policy
apatterson@ameresco.com

**American Chemistry Council**
Rudy Underwood, Vice-President of ACC State Affairs
Rudy_underwood@americanchemistry.com
Environmental and Energy Study Institute
Carol Werner, Executive Director
Cwerner@eesi.org

Hannon Armstrong
Robert Johnson, Senior Vice President at Hannon Armstrong Sustainable Infrastructure
rjohnson@hannonarmstrong.com

Home Performance Coalition
Kara Saul Rinaldi, Vice President of Government Affairs and Policy
kSaul-rinaldi@homeperformance.org

Honeywell
Nick Kirkhorn, Government Relations
nicholas.kirkhorn@honeywell.com

JW Crouse, Inc.
Jesse Crouse, President
jwcincps@verizon.net

Knauf Insulation
George R. Phelps, Public Affairs Manager
George.phelps@knaufinsulation.com

Lime Energy
Adam Procell, President and CEO
aprocell@lime-energy.com

NAESCO
Donald Gilligan, President
dgilligan@naesco.org

National Electrical Contractors Association (NECA)
Marco A. Giamberardino, MPA, Executive Director, Government Affairs
mgiamberardino@necanet.org

National Housing Trust
Todd Nedwick, Housing and Energy Efficiency Policy Director
tnedwick@nhtinc.org

North American Insulation Manufacturers Association
Curt Rich, President and CEO
crich@naima.org

Ohio Sustainable Business Council
Mayda Sanchez, Executive Director
Msanchez@ohiosbc.org
Owens Corning
John Libonati, Vice President of Government and Public Affairs
John.Libonati@owenscorning.com

Powder River Basin Resource Council
Bob LeResche, Chair
sanderson@powderriverbasin.org

Schneider Electric
Anna Pavlova, Vice President, Government Relations
Anna.Pavlova@schneider-electric.com

Siemens Corporation
Tom Phillips, Senior Director, State & Local Government Affairs
tom.phillips@siemens.com

Stoney Point Farms
Larry Lambeth, President
llamrtment@hotmail.com

TerraShares
John Atkins, President
jatkins@terrashares.com

The Dow Chemical Company
Greg Bergtold, Business Advocacy & Policy Director
gsbergtold@dow.com

Trane
Douglas M. Young, Energy Services Leader
dmyoung@trane.com

U.S. Green Building Council
Elizabeth Beardsley
Ebeardsley@usgbc.org

U.S. Green Building Council, Wisconsin
Korinne Haeffel, LEED AP, CDT, Director of Community Advancement-Wisconsin
khaeffel@usgbc.org

VEIC
Mary Sprayregen, Deputy Director, Policy and Public Affairs
msprayregen@veic.org

Veolia North America
Elinor Haider, Vice President, Market Development
elinor.haider@veolia.com
Washington Gas, a WGL Company
Doreen Hope, Federal Government & Business Relations
dhope@washgas.com